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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of

Southwestern Bell Telephone  
Company's Comparably Efficient  
Interconnection Plan for the Provision  
of Security Service

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CC Docket Nos. 85-229,  
90-623 and 95-20

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COMMENTS OF AMERITECH CORPORATION  
TO SOUTHWESTERN BELL TELEPHONE COMPANY'S  
COMPARABLY EFFICIENT INTERCONNECTION PLAN  
FOR SECURITY SERVICE

I. INTRODUCTION

On April 4, 1996, Southwestern Bell Telephone Company ("SWBT") filed with the Federal Communications Commission ("Commission") SWBT's Comparably Efficient Interconnection ("CEI") Plan for SWBT's Security Service ("SWBT Plan"). Ameritech Corporation ("Ameritech") respectfully files these comments to SWBT's Plan. Based on SWBT's description, Ameritech is unable to see how SWBT's proposed Security Service is consistent with the alarm monitoring provisions contained in Section 275 of the Telecommunications Act of 1996 ("Act"). 47 U.S.C. §275. Consequently, Ameritech must oppose SWBT's filing and request the Commission to reject SWBT's Plan unless SWBT can demonstrate that its proposed activities comply with the requirements of Section 275 of the Act.

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## II. SWBT'S CEI PLAN

The service which is the subject of the CEI plan is described throughout the pleading as "SWBT's Security Service." SWBT Plan, at 1-7, 9-11, 13-14. SWBT states that "SWBT's Security Service" is comprised of two separate components. (Emphasis added). SWBT Plan, at 3. SWBT explains that the first component is the sale, installation, and servicing of CPE. SWBT Plan, at 3. It then goes on to state that the "second function associated with SWBT's Security Service is the monitoring function." SWBT Plan, at 4. This second function is performed by a monitoring company, chosen by SWBT, with whom SWBT has negotiated "an agreed upon fee on a per subscriber basis." SWBT Plan, at 3. The service is sold through SWBT's customer contact centers using CPNI with customer approval. SWBT Plan, at 3. The customer receives a monthly bill from SWBT for a "single amount" which represents the bundling of the above fee with charges for other aspects of SWBT's service.

SWBT characterizes its relationship with the monitoring companies as one of principal-agent, SWBT being the purported agent. Based on the facts set forth in its pleading, however, the relationship appears to be one of contractor-subcontractor, the monitoring company being the subcontractor. This later characterization is consistent with the fact that SWBT will negotiate with the monitoring company a monitoring fee per subscriber and the fact that there would be no separate charge on the SWBT bill for the monitoring done by the monitoring company. In any event, SWBT characterizes the end-to-end service as being its service -- "SWBT's Security Service". Indeed, if SWBT

had only considered the provision of the CPE to be "SWBT's Service", it would have *had no reason to file the CEI plan at issue.*<sup>1</sup>

III. SWBT'S PROPOSED OFFERING IS AN "ALARM MONITORING SERVICE" WHICH SWBT IS PROHIBITED FROM OFFERING

A. The Service Described in SWBT's Plan is an "Alarm Monitoring Service".

Section 275 of the Act prohibits non- "grandfathered" Bell Operating Companies and their affiliates from engaging in the provision of "alarm monitoring services" for 5 years. There should be no dispute that this prohibition is applicable to SWBT.

Section 275(e) of the Act defines "alarm monitoring service" as follows:

"(e) DEFINITION OF ALARM MONITORING SERVICE. The term 'alarm monitoring service' means a service that uses a device located at a residence, place of business, or other fixed premises-

- (1) to receive signals from other devices located at or about such premises regarding a possible threat at such premises to life, safety, or property, from burglary, fire, vandalism, bodily injury, or other emergency, and
- (2) to transmit a signal regarding such threat by means of transmission facilities of a local exchange carrier or one of its affiliates to a remote monitoring center to alert a person at such center of the need to inform the customer or another person or police, fire, rescue, security, or public safety personnel of such threat..." (emphasis added.)

The service covered by the definition has three elements: (1) use of devices that receive alarm indications and transmit signals relative to the alarm indications, (2) transmission of the signal from the device by a local exchange carrier or an affiliate, and (3) transmission to a remote monitoring center. All three elements are present here. In

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<sup>1</sup> SWBT states that the offering described in its Plan is "enhanced" and that it involves "interconnection between SWBT's Security Service and the underlying basic services." SWBT Plan, at 5, 7, 14.

the words of SWBT, the service (1) uses SWBT supplied devices to “detect an alarm condition” and “to transmit a non-voice message from the residential alarm system”, (2) “this initial message is transmitted over [SWBT’s] Public Switched Telephone Network”, and (3) the transmission goes to a “monitoring center.” SWBT Plan, at 3-4.

B. SWBT’S Offering of The Service Would Violate Section 275.

Since SWBT would be engaged in the provision of alarm monitoring service, it would be violating Section 275 of the Act.

SWBT cannot assert that its involvement in the service is merely the provision of CPE. The involvement of SWBT goes far beyond this. SWBT selects the company to perform monitoring -- SWBT customers have no input in the selection. The end-to-end service is sold by SWBT’s customer contact centers. After the sale is consummated, SWBT will install, maintain, and test the alarm monitoring system. SWBT pays over to the monitoring company “an agreed upon fee on a per subscriber basis”. SWBT customers pay a bundled charge listed on the SWBT bill for all services -- no separate charge appears on the SWBT bill for monitoring done by the SWBT-chosen company. While the SWBT filing refers to a separate contract between the SWBT customer and the monitoring company, it would appear that this contract is based upon the monitoring company’s desire to limit its liability.

SWBT places great emphasis on its assertion that a separate entity operates the monitoring system. This emphasis is misplaced. First, as discussed above, it appears that the monitoring company is acting as SWBT’s subcontractor. SWBT cannot do through a subcontractor what it cannot do itself. Second, the definition of “alarm monitoring services” does not require that the call from the on-premise monitoring

device be transmitted to a BOC remote monitoring center. Rather, the language refers to a service that uses CPE to call "a remote monitoring center." Finally, regardless of who owns the monitoring center, there should be no dispute over the conclusion that the alarm monitoring service described in the CEI Plan is SWBT's service. As also discussed above, SWBT refers to the service as "SWBT's Security Service." Indeed, the fact that SWBT is proposing to engage in the provision of the service is the reason SWBT filed its CEI Plan.

#### IV. CONCLUSION

SWBT is proposing to engage in activities which appear to Ameritech to be prohibited by the explicit language in Section 275 of the Act. Any entity that is or may be bound by the provisions of the new Act should be able to have confidence that its explicit provisions will not be ignored. Therefore, Ameritech requests that the Commission reject SWBT's plan unless SWBT can demonstrate that its proposed activities comply with the requirements of the Act.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephen S. Schulson".

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